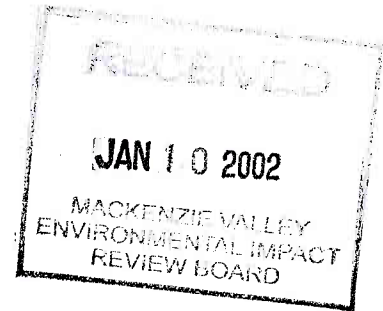


National Energy  
BoardOffice national  
de l'énergie

Files 3400-P097-1 and 2620 D-4-7  
9 January 2002

Distribution List Attached

**Paramount Resources Ltd. and Paramount Transmission Ltd. (Paramount)  
Consultation on Traditional Knowledge**

The National Energy Board (the NEB) has received Paramount's response to NEB Information Request (IR) No. 7.1, dated 31 December 2001, in which the company provides an update on the status of consultations with First Nations and the Fort Providence Métis Nation with respect to the traditional knowledge (TK) studies prepared for the above noted project. Paramount had filed confidentially with the NEB, a copy of the *Report on Traditional Knowledge Studies for the Cameron Hills, NWT, 2001* on 3 December 2001. This report includes separate draft studies of TK collected from the five First Nations in the area and the Fort Providence Métis Nation (the communities). The TK was collected by Paramount Resources Ltd. and Golder Associates Ltd. at meetings held in each of the communities and compiled in the draft report. The draft report also includes mitigation measures proposed by Paramount to address concerns raised by the communities regarding the project. In its response to IR No. 7.1, Paramount indicated to the NEB that the draft studies were forwarded to each of the communities for review and comment in late November and, in one case, early December 2001.

The NEB notes that consultation between Paramount and the communities is ongoing. However, at this time, and to assist the NEB in its consideration of Paramount's application, the NEB requests the communities in receipt of this letter to forward to the NEB and Paramount any comments they have on the study by 16 January 2002. The NEB further requests that Paramount provide a response to the NEB by 18 January 2002 as to how any comments received by the communities have or will be incorporated into the proposed project. Should comments or responses be considered sensitive, confidentiality may be requested under section 16.1 of the *National Energy Board Act*.

The NEB has, for projects under its jurisdiction, several formal and informal mechanisms and processes to ensure that commitments are fulfilled and appropriate measures to protect the environment are undertaken throughout the life-span of the project. These include inspection of facilities and activities, ensuring compliance with commitments, conditions of approval and the *Onshore Pipeline Regulations, 1999*, regulatory audits, letters, direction and adjudication of complaints.

The NEB expects that, should the proposed project be approved, Paramount would continue its communication with communities over the life-span of the facilities and that Paramount would incorporate additional information that comes available through this process into its environmental protection measures, as appropriate. The NEB also expects that Paramount would document its ongoing communication with First Nations, particularly with respect to the traditional knowledge studies and any associated mitigation. Paramount would be required to ensure that any and all commitments made by the company in the NEB's regulatory process, be implemented.

444 Seventh Avenue SW  
Calgary, Alberta T2P 0X8

444, Septième Avenue S.-O.  
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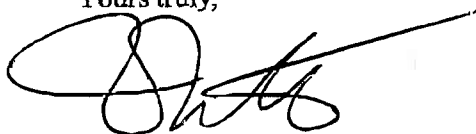
**Canada**

Telephone/Téléphone : (403) 292-4800  
Facsimile/Télocopieur : (403) 292-5503  
<http://www.neb.gc.ca>

2

If you have any questions with regard to this letter, please contact Mr. Andrew Hudson, NEB Counsel at (403) 299-2708 or call toll free at 1-800-244-1265 and specify the Paramount Cameron Hills Application.

Yours truly,

A handwritten signature in black ink, appearing to be 'M. Mantha', with a long horizontal stroke extending to the right.

Michel L. Mantha  
Secretary

cc: Mr. Joe Acorn, MVEIRB, facsimile (867) 920-4761  
Ms. Marie Adams, INAC, facsimile (867) 669-2701